



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday, June 05, 2007

Major Developments

Cyclone Gonu Weakens as it Approaches Arabian Peninsula June 5

Impact on Oil Shipments Through Strait of Hormuz Unclear

Tropical Storm Gonu, which was at one point categorized as a super cyclone equivalent to a Category 6 hurricane, is moving across the Arabian Sea forcing the evacuation of thousands of residents in low-lying portions of the Arabian Peninsula. At press time, it is unclear what impact the storm may have on port and shipping activity, particularly in the Strait of Hormuz, where some 15 to 17 million bbls of crude oil pass daily. The Oil Daily estimates that at least 30 million barrels of crude oil (the volume of two days worth of exports from the Gulf) could be delayed because of the storm.

EIA's Strait of Hormuz Chokepoint: http://www.eia.doe.gov/cabs/World_Oil_Transit_Chokepoints/Hormuz.html

Oil Daily, June 5, 2007

Bloomberg News, 11:33 June 5, 2007

Reuters, 10:52 June 5, 2007

http://biz.yahoo.com/rb/070605/markets_oil.html?v=5

<http://www.guardian.co.uk/worldlatest/story/0,-6685882,00.html>

http://www.arabianbusiness.com/index.php?option=com_content&view=article&id=13992

http://www.arabianbusiness.com/index.php?option=com_content&view=article&id=13991

<http://www.cnn.com/2007/WORLD/meast/06/05/oman.cyclone.ap/index.html>

<http://www.turkishpress.com/news.asp?id=179796>

<http://www.thetandd.com/articles/2007/06/05/ap/business/d8pirc9g0.txt>

Some Omani Oil and Gas Operations Briefly Shut as Cyclone Gonu Skirts Coast June 5 **Storm Not Expected to Impact Saudi Arabia and UAE Oil Installations**

Some of Oman's oil and gas producing companies briefly shut operations as Cyclone Gonu passed on June 5. Oman LNG in Sur shut operations until the cyclone passes and Petroleum Development Oman suspended all loadings at their Mina Al Fahal facility in Muscat, which exports 650,000 b/d of the country's 730,000 b/d crude oil production. Reuters reports that the port of Mina al Fahal oil terminal reopened after closing briefly. Major oil installations in Oman not in the projected path of the storm, including the two refineries, are said to be on alert but continuing to operate.

EIA's Oman CAB: <http://www.eia.doe.gov/emeu/cabs/Oman/Oil.html>

<http://www.gulfnews.com/region/Oman/10130289.html>

<http://www.platts.com/Oil/News/9301417.xml?p=Oil/News&sub=Oil>

<http://www.platts.com/Oil/News/9296829.xml?p=Oil/News&sub=Oil>

<http://www.cnn.com/2007/WORLD/meast/06/05/oman.cyclone.ap/index.html>

Reuters, 10:52 June 5, 2007

Reuters, 09:45 June 5, 2007

Electricity

Update: PSEG's 1,050 MW Hope Creek Nuke Unit 1 Operating at Reduced Output June 4

On June 4, the unit was reported operating at full power following a shut down that originated on May 29. As of early morning today, the unit was operating at 83 percent of capacity up from dropping to 65 percent to perform a control rod adjustment during the night.

Bloomberg News, 11:23 June 5, 2007

OPG's 516 MW Pickering Nuke Unit 4 in Ontario Shut June 5

Reuters, 08:35 June 5, 2007

Petroleum

Update: Imperial Oil Will Meet Customer Needs Despite Alberta Refinery Fire in

On June 5, Imperial Oil announced that the company does not anticipate that supply problems will develop as a result of the fire that struck its 190,000 b/d Strathcona refinery in Alberta on June 2. Imperial expects to be able to fully supply all its customers from either its own operations or through market flexibility. The cause of the fire remains under investigation. At this time, there is no estimate as to when operations at the refinery are expected to return to normal levels, nor is there any information concerning the extent of the damage or the specific units involved.

Reuters, 11:33 June 5, 2007

Compressor Unit to Restart at BP's 460,000 b/d Texas City Refinery June 5-6

Reuters cites a source familiar with the refinery as saying that BP plans to restart the unit either on June 5 or June 6. According to a report filed with state regulators, production from the refinery's coker was curtailed to a minimum when a compressor tripped off-line late on June 3. The refinery, which has the capacity to process 460,000 b/d of crude per day, has been running at approximately 50 percent of capacity. The refinery sustained damage in an explosion in 2005.

Bloomberg News, 09:40 June 5, 2007

Reuters, 10:16 June 5, 2007

Process Upset Reported at ConocoPhillips's 146,000 b/d Borger Refinery in Texas June 3

According to information filed with state regulators, the unspecified event occurred late on Monday and resulted in flaring of particulate matter.

Bloomberg News, 09:22 June 5, 2007

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 5, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	65.73	62.94	72.75
NATURAL GAS Henry Hub \$/Million Btu	7.73	7.51	6.46

Source: Reuters

Massachusetts DEP Halts Review of Permit for Proposed Weaver Cove LNG Terminal Citing Concerns Raised by Coast Guard

<http://news.bostonherald.com/localRegional/view.bg?articleid=1004777>

FERC Rejects New Brunswick's Request to Suspend Processing of Applications for Quoddy Bay LNG Terminal in Maine

NGI's Daily Gas Price Index, June 4, 2007

FERC Requests for Critical Environmental Information Could Delay Construction of Rockies Express East Natural Gas Pipeline from Colorado to Ohio

<http://www.indystar.com/apps/pbcs.dll/article?AID=/20070604/LOCAL18/706040371/-1/RSS>

FERC to Again Review Transwestern Pipeline Co.'s 259-mile, 36-inch diameter Proposed Natural Gas in Arizona on Safety Concerns

<http://www.fox11az.com/news/topstories/stories/kmsb-20070604-apic-buckeyewrench.14eea5b1.html>

FERC Approves ANR Pipeline's Plan to Construct and Operate Underground Natural Gas Storage Facility in Michigan

NGI's Daily Gas Price Index, June 5, 2007

Enbridge, ExxonMobil Pipeline Co. to Assess Pipeline to Carry Canadian Crude Oil from Patoka, Illinois Hub to the U.S. Gulf Coast

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=738853>

NiSource Considers Restarting 500 MW Mitchell Coal-fired Power Plant in Indiana

<http://www.platts.com/Coal/News/6390468.xml?p=Coal/News&sub=Coal>

Saudi Arabia Arrests 3 Al Qaeda Suspects, One Allegedly Involved in Attacks on Oil Infrastructure

http://www.gulfnews.com/region/Saudi_Arabia/10130215.html

Renewable Energy Producers in Ohio Not Benefiting from Net-Metering Laws in Practice

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BmqnkqxvXShf%7DGL%7Dbfem%5Ev>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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